



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of:	)	
NATIONAL UNION FIRE	)	ORDER NO. D06-200
INSURANCE COMPANY OF	)	
PITTSBURGH, PA.	)	CONSENT ORDER LEVYING A
	)	FINE
An Authorized Insurer	)	

---

**FINDINGS OF FACT**

1. National Union Fire Insurance Company of Pittsburgh, Pa. ("National Union Fire") is authorized to conduct insurance business in the State of Washington.
2. National Union Fire has individual travel insurance policy forms and rates on file with and approved by the Office of the Insurance Commissioner ("OIC"). However, or about August 18, 2004, the OIC was notified that National Union Fire was issuing travel insurance coverage documents to Washington state residents on unapproved forms. The same day, the OIC wrote to National Union Fire requesting that they investigate and report back their findings to the OIC.
3. After having received no response, on September 21, 2004, the OIC sent a copy of its letter to National Union Fire's home office, American International Companies in Los Angeles, marked as a second request.
4. Numerous delays ensued in obtaining the information requested by the OIC. Despite the lengthy series of letters and emails between National Union Fire, its counsel, and the OIC, ultimately National Union Fire continued to maintain that it was properly issuing blanket travel insurance not requiring a filing of its forms, and could not determine how many Descriptions of Coverage were issued to Washington consumers.
5. By March 31, 2005, National Union Fire was able to determine that it had issued approximately 45,000 to 46,000 Descriptions of Coverage to Washington residents. This figure was arrived at by dividing the estimated gross premium by the average cost of coverage.



6. Despite many attempts to show that their insurance products were properly marketed in Washington, National Union Fire agreed that as of March 31, 2005, it would issue only individual travel policies on approved forms.

### **CONCLUSION OF LAW**

1. By using non-approved forms to provide travel insurance, National Union Fire violated RCW 48.18.100(1), which requires that insurance policy forms must be filed with and approved by the Commissioner prior to their issuance, delivery, or use.
2. By being unable to identify individual travel insurance transactions it engaged in while using the unfiled forms, National Union Fire violated RCW48.105.280, which requires that every insurer keep full and adequate accounts and records of its assets, obligations, transactions, and affairs.
3. By failing to consistently respond to OIC inquiries in a timely and complete fashion, National Union Fire violated WAC 284-30-650.

### **CONSENT TO ORDER**

1. National Union Fire consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.
2. Within thirty days of the entry of this Order, National Union Fire will pay to the Insurance Commissioner a fine in the amount of \$50,000 (fifty thousand dollars).
3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for suspension or revocation of the certificate of authority held by National Union Fire in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

EXECUTED this 17th day of July, 2006.

NATIONAL UNION FIRE INSURANCE  
COMPANY OF PITTSBURGH, PA.

By:

Title:

W. E. R. H. A. P.  
Assistant Vice President

**ORDER OF THE INSURANCE COMMISSIONER**

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. National Union Fire Insurance Company of Pittsburgh, Pa. is ordered to pay a fine in the amount of Fifty Thousand Dollars (\$50,000).
2. Fifty Thousand Dollars (\$50,000) must be paid in full within thirty days of the date of entry of this order. Failure to pay this fine and to adhere to the conditions shall constitute grounds for revocation of National Union Fire Insurance Company of Pittsburgh, Pa.'s Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the commissioner by the attorney general.

ENTERED AT TUMWATER, WASHINGTON this 19<sup>th</sup> day of July  
2006.

Mike Kreidler  
Washington State Insurance Commissioner

By: Marcia G. Stickler  
Marcia G. Stickler  
Staff Attorney, Legal Affairs Division